Pens and Printers

Sales Strategy Analysis

Evgeny Dubrovin
Data Analytics Dept

Business Goals

- Six weeks ago the Sales team launched a new line of office stationery. Three different sales strategies were tested: emails, phone calls and combination of the two.

- We need to find the best sales strategy by looking at:
  - How many customers were there for each approach?
  - What does the spread of the revenue look like overall? And for each method?
  - Was there any difference in revenue over time for each of the methods?
  - Are there any differences between customers in each group?

How many customers were there for each approach?

Number of Customers per Approach
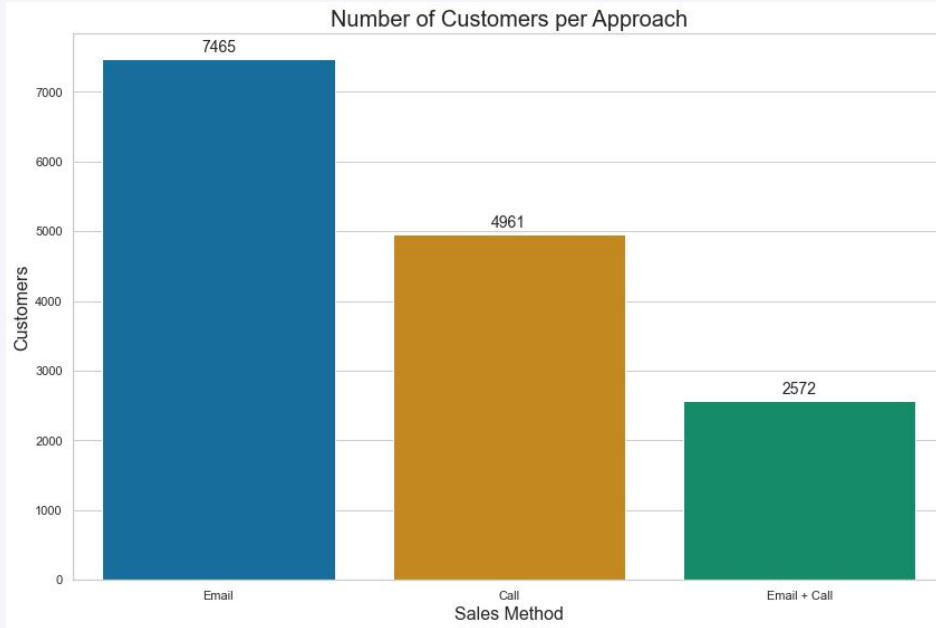
Email attracted the majority of customers: 7465 (49.77%).

Call goes next with 4961 (33.08%) customers.

Email + Call gained the least amount of customers: 2572 (17.15%).

It is interesting, as the Email strategy is the easiest one. However, we do not know the conversion rate.

# What does the spread of the revenue look like overall?
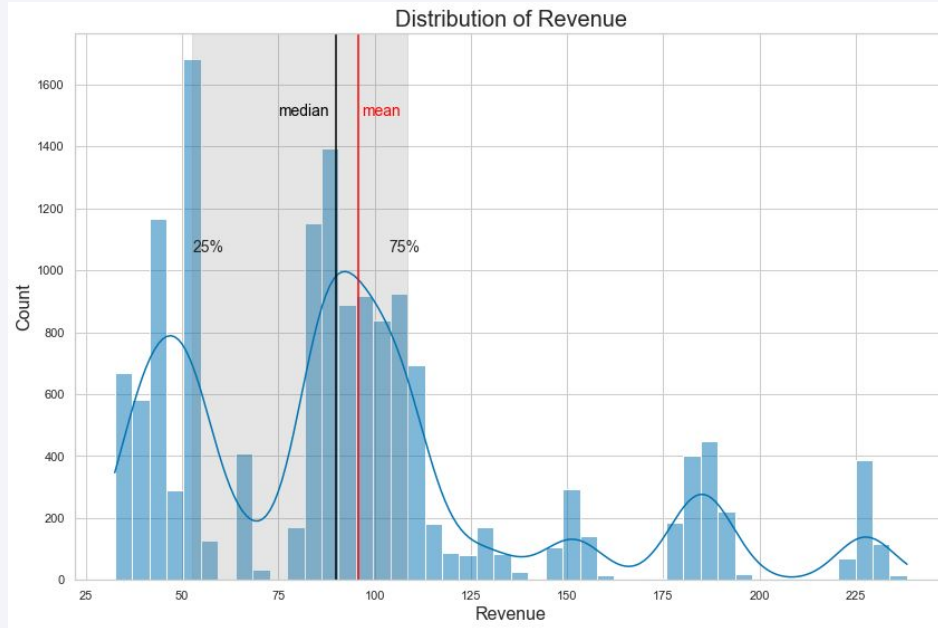
The distribution of the revenue is **multimodal and right-skewed**: the mean equals to 95.72 and the median equals to 90.

The majority of values (50%) lies between 52.76 and 108.63.

We can see **3 different clusters of revenue**: between 30 and 60 on the left, between 80 and 135 in the middle, and three little groups around 150, 180 and 225 on the right. This should be due to 3 different sales approaches.

The spread of revenue for each method

Distribution of Revenue per Approach

Total Revenue per Approach
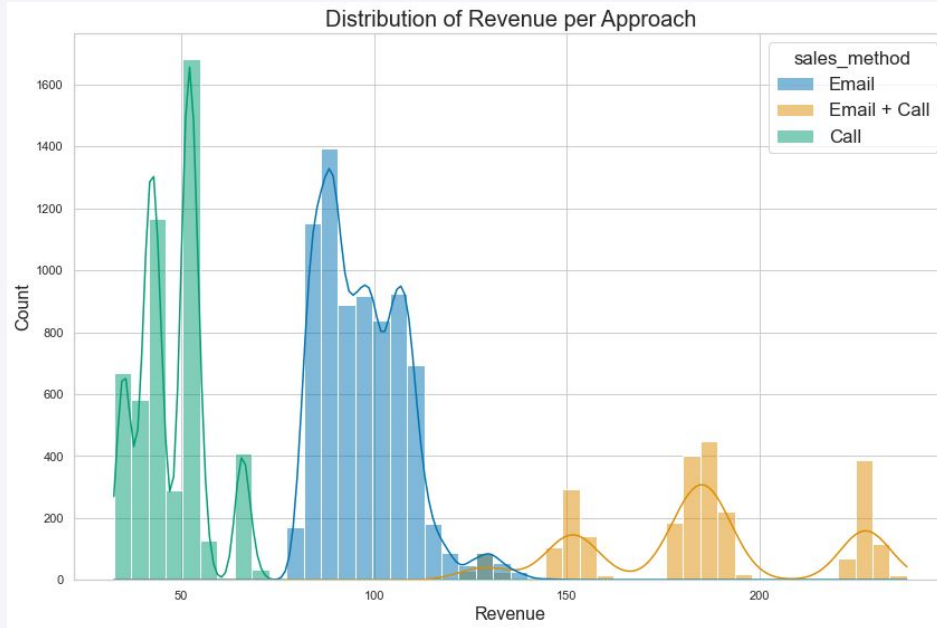
We can clearly distinguish 3 groups:

Call strategy brings a lot of low–revenue purchases (median = 49.26)
Email – mid-level revenue purchases (median = 95.79) and
Email + Call – not many but high–revenue purchases (median = 184.50).
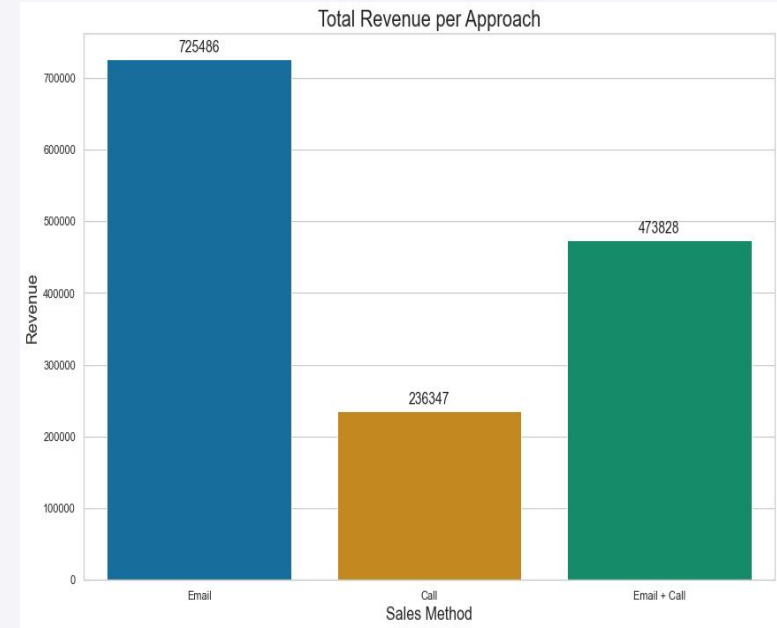
Despite the **majority of revenue is brought by Email method**, the **highest average sale refers to Email + Call strategy**. The **Call strategy is the least effective** (though we do not know the conversion rate).

Was there any difference in revenue over time for each of the methods?

Total Revenue Over Time per Approach
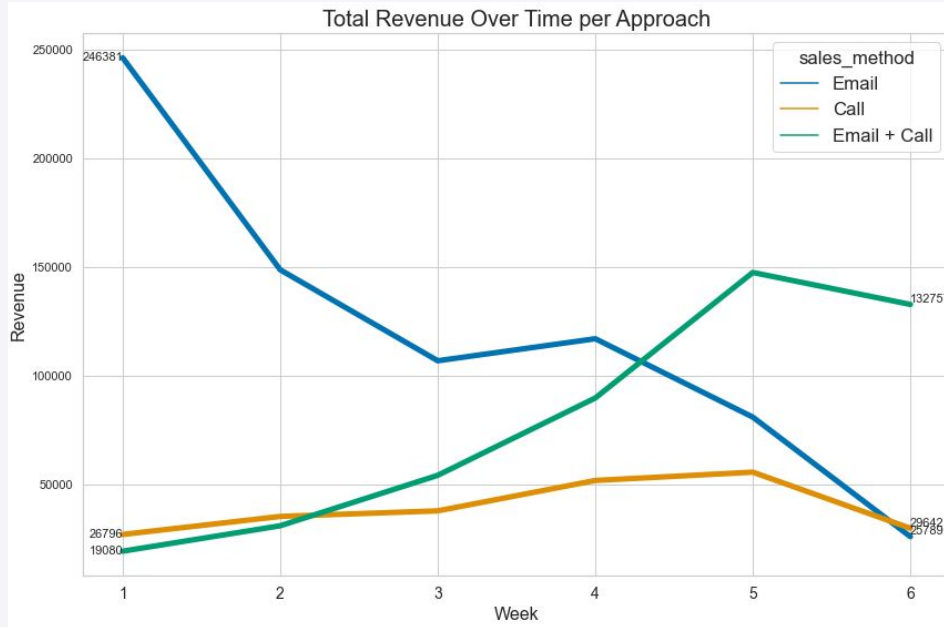
While the **Email** strategy was **the most successful** one on the 1st week (246 381) and until the 4th week, the **total revenue decreased by 10x times** (–89.5%) by the 6th week (25 789).

Otherwise, the **Email + Call** strategy showed the **best performance at a distance**, becoming the leader by the end of a given period (1st week – 19 080; 6th week – 132 757; **596% growth**).

The **Call** method is still an **outsider** (1st week – 26 796; 6th week – 29 642; **10.6% growth**).

Differences between the customers in each group
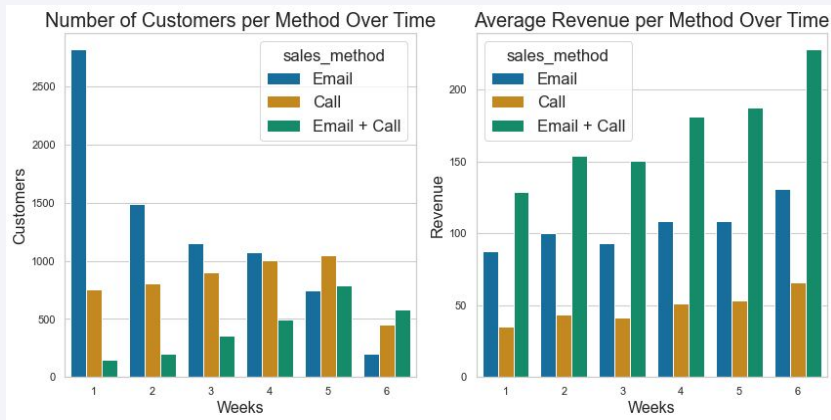
The average revenue grows every week (except 3rd) for each sales method. But the number of attracted customers in **Email** method **declines dramatically** (**by 93%**). Presumably, Email message is good for launching a new product line, but bad for the following weeks. Perhaps, the marketing team should adjust the advertisement during the promotional period.

Email + Call was the only method that has showed the growth in number of attracted customers (+293%) over the given 6–week period.
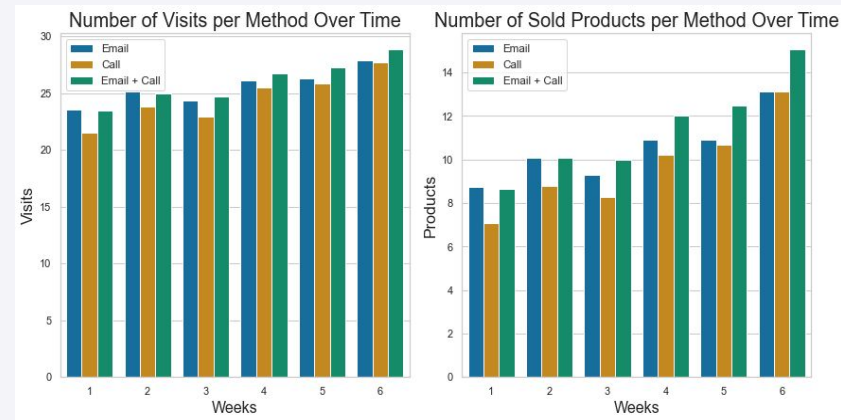
The average number of visits grow similarly for every marketing method. There are no visible differences between them.

The amount of sold products grows gradually for each sales approach. **Since the 3rd week the Email + Call clients buy the most number of new line products**.

Valuable Insight
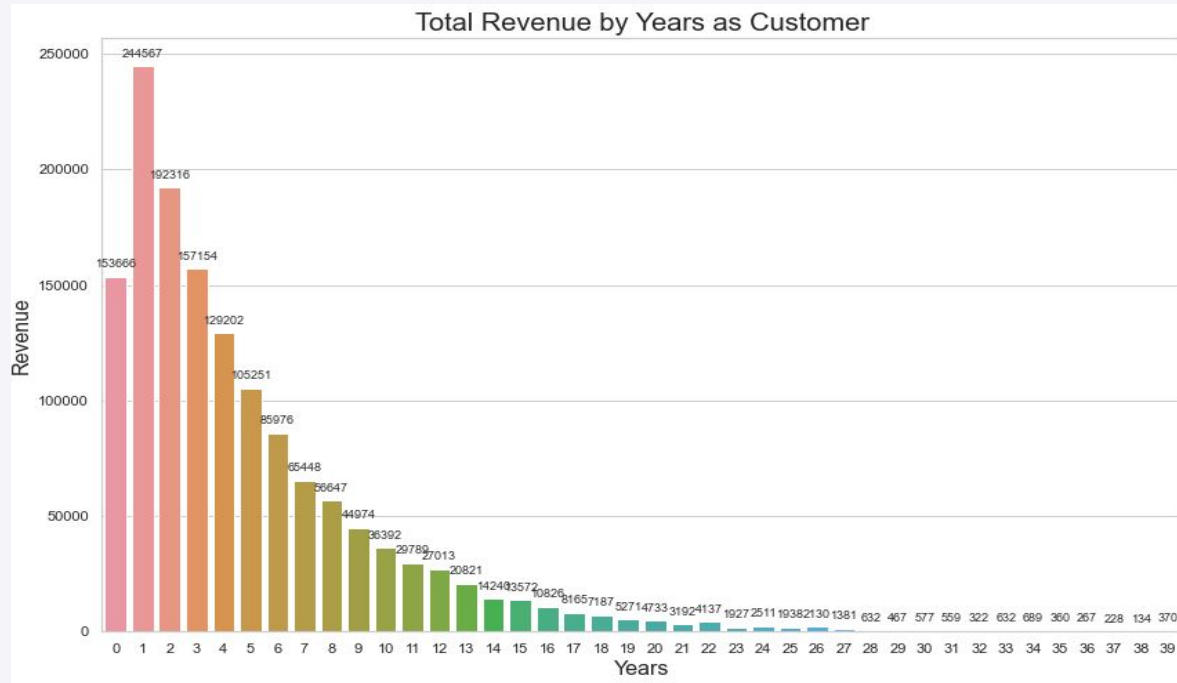
The older clients are not interested in the new product line.

1-year clients contribute the most revenue.

*The number of visits does not differ considerably between different approaches.

*The mean revenue does not change noticeably between older and newer clients.

Business Metrics

Considering only the currently available data, I would recommend to use three parameters:

- **Total revenue** ($1 435 662 for the given 6 weeks).
- **Average check** ($95.7 for the given 6 weeks).
- **Number of customers** (15 000 for the given 6 weeks).

If these values will increase in the next 6 weeks, it would indicate that we chose the right sales approaches.

Since our main goal is to determine the best selling approach, I would recommend to use these metrics:

Return on Investment (ROI):

ROI = (Revenue – Cost) / Cost

Cost = (Average Salary * Average Time Spent) + Average Method Expenses

Method Efficiency:

Efficiency = Total Revenue * Conversion Rate

Conversion Rate = Customers / Total Leads

Recommendations

1. I recommend to **exclude the Call strategy** for the next reporting period (e.g. 6 weeks), because it was an outsider in every indicator for the last 6 weeks. Also, this is the most time-consuming approach (about 30 minutes).

2. **Focus more on the Email + Call strategy**, as it showed **the highest average check and the best dynamics** over the 6-week period. We should try to **target more leads** with this method.

3. **Continue to utilise Email strategy**, as it attracted **the majority of customers** and brought **the most revenue** for the given period. Moreover, this method needs **less efforts**. However, we should adjust the Email advertisement during the promotion period, as it **works good only in the 1st week**; then it attracts fewer customers.

4. We should **focus more on newer customers** (less than 10 years), as they are more susceptible to the considered sales methods and bring the majority of revenue.

5. For a deeper analysis we should collect:

- amount of leads (to calculate the Conversion Rate);

- expenditure data for each approach;

- customer satisfaction score (give them a micro-questionnaire about the purchase);

- more information about the customers and products sold for a better targeting.